



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Approve Specifications and Authorize Advertisement for Bids for Elevator Services for City Facilities

MEETING DATE: October 5, 2005

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council approve the specifications and authorize advertisement for bids for Elevator Services for City Facilities.

BACKGROUND INFORMATION: Elevator services currently have been performed through maintenance agreements with varying elevator service contractors, often continuing with the companies that installed the elevators in City facilities when they were originally constructed.

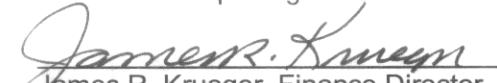
Council approved specifications on August 3, 2005, and four bids were received and opened on August 31, 2005. The original specifications were to only cover ongoing elevator services to City elevators at City Hall, Carnegie Forum, Police Facility, Parking Structure, and Public Safety Building for a period of two years. Two elevators that are under current contracts at Hutchins Street Square (HSS) were not included.

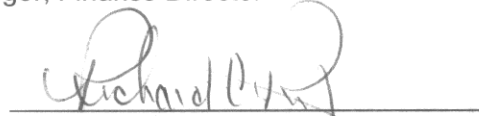
After the bids were opened, ThyssenKrupp Elevator Corporation (TK), who has the contracts for the two HSS elevators at \$282/per month per elevator, told the City of Lodi that they would be willing to terminate those two contracts and include the two HSS elevators in the new contract at the new bid price of \$130/per month per elevator. Including the HSS elevators would result in a cost savings for the City, but this requirement was not included in the bid specifications. In order to capture this savings, the previously-approved elevator service specifications have been amended to allow for the HSS elevators and the service contract will be rebid.

The revised bid specifications include provisions to add the elevators at HSS either now or when the contracts expire, and a bid evaluation mechanism to consider the cost of those HSS elevators regardless of bidder.

FISCAL IMPACT: Not Applicable.

FUNDING AVAILABLE: The money for elevator services will be coming from the Facilities Services 2005/06 Operating and Hutchins Street Square Maintenance accounts.
Project Estimate: \$15,000 annually
Planned Bid Opening Date: October 19, 2005


James R. Krueger, Finance Director

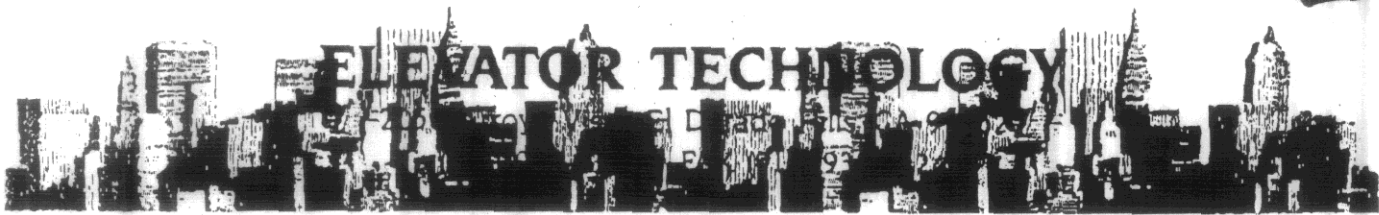

Richard C. Prima, Jr.
Public Works Director

Prepared by Dennis J. Callahan, Fleet and Facilities Manager
RCP/DJC/pmf

cc: D. Stephen Schwabauer, City Attorney
Donnie Sanford, Senior Facilities Maintenance Worker
Mark Zollo, Facilities Supervisor

Tea Silvestre, Community Center Director
Joel Harris, Purchasing Officer

APPROVED: 
Blair King, City Manager



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From: Leonard Bates
To: Mark Zollo
Date: 9/21/2005 11:29:36 AM
Subject: Elevator Maintenance Bid (Protest of award)

Mr. Zollo,

This letter is to serve as my formal protest of the elevator service contract award. I am protesting the award of the elevator maintenance bid to ThyssenKrupp Elevator Corporation. At the bid opening Elevator Technology was the low bidder with a base bid of \$22,495.00. The next low bidder was Elevator Services with a base bid of \$22,592.00 Kone's base bid was \$23,620.00 and ThyssenKrupp was the high bidder with a base bid of \$24,120.00. The letter of recommendation to the City Council from the Public Works Director, Mr. Richard Prima, Jr. indicates that Elevator Services was the low bidder. I am questioning how this was arrived at. I am also questioning how the contract can be awarded to the highest bidder.

This is a public works bid and therefore it is to be fair and equitable for all bidders. After the bid opening ThyssenKrupp was able to view the pricing and then negotiated with the city to lower their price based on our bid. This gives TyssenKrupp an unfair advantage to negotiate independently of the bidding process. It is clearly noted in Mr. Prima, Jr. letter to the council that TyssenKrupp lowered their price from \$282.00 per elevator to \$130.00 per elevator for the two elevators in the HSS building, after they had the opportunity to view our bid. Clearly unethical and an unfair advantage..

I am asking that the City Council not award this contract but review the bids and give all the companies the opportunity for a fair bid. I am requesting that the existing contracts be left in place until their expiration and then be extended to a date when all the elevators can be bid at the same time for the city elevator maintenance. This will give all the companies an equal and fair opportunity to provide elevator service to the City of Lodi. Otherwise this contract must be awarded to Elevator Technology as the low bidder. Since ThyssenKrupp has offered to lower their price on the HSS building the City should take advantage of their offer. Clearly their price of \$282.00 per elevator per month was excessive and the City of Lodi should request a refund for the time period the City was being overcharged.

If the City of Lodi is going to negotiate directly with ThyssenKrupp then Elevator Technology and the other companies that bid must have the same opportunity to negotiate directly with the city as they did, or what was the purpose of the bid other than to give our pricing to ThyssenKrupp?

Sincerely
Leonard Bates
elevatortech@ips.net
EarthLink Revolves Around You.